

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department – Karimnagar District – Irregular admittance and passing of Medical Advance Bills in respect of Sri P.Raji Reddy, S.A. and Sri V.Narsinga Rao, J.A. Office of the District B.C.Welfare Office, Karimnagar – Departmental action initiated against Sri V.Babu Rao, Accounts Officer (Retd.) – Imposition of a punishment of withholding of 10% pension permanently under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No. 3236

Dated: 01-08-2008

Read the following:-

1. DTA Charge Memo.No.K5/21067/2001, dt. 17-4-2003.
2. Explanation of Sri V.Babu Rao, DTO, Karimnagar, dt. 11-6-2003.
3. Inquiry report of Sri G.Vijay Kumar, Joint Director of Treasuries and Accounts, dt. 17-5-2004.
4. DTA Lr.No.K (II) 6/21067/2001-1, dt. 6-8-2004.
5. Govt. Memo.No.19879/299/A2/Admn.I.Vig/2004, dt. 10-12-2004.
6. DTA Lr.No.K (II)6/21067/2001, dt. 14-3-2005 along with explanation of Sri V.Babu Rao, former DTO, Karimnagar, present A.O. O/o. CFW, Hyderabad.
7. Govt. Memo.No.19879/299/A2/Admn.I.Vig/2004, dt. 05-01-2008.
8. DTA Lr.No.KII (6)/21067/2001, dt. 19-2-2008 along with explanation of Sri V.Babu Rao, dt. 11-2-2008.
9. Govt. Memo.No.19879/299/A2/Admn.I/2004, dt. 14-3-2008.
10. DTA Lr.No.KII (6)/21067/2001, dt. 08-04-2008 along with proforma particulars of Sri V.Babu Rao, A.O. (Retd.).
11. Govt. Lr.No.19879/299/A2/Admn.I.Vig/2004, dt.07-05-2008 addressed to APPSC.
12. Secretary APPSC Lr.No.1067/RT-I/1/2007, dt. 17-06-2008.

ORDER:

In the reference 4th read above, the Director of Treasuries and Accounts has informed that two irregular Medical Advance Bills for Rs. 75,000/- each in respect of Sri P.Raji Reddy, S.A., O/o the District B.C. Welfare Office, Karimnagar and Sri V.Narasinga Rao, J.A., O/o. District B.C. Welfare Office, Karimnagar District without having proper sanction orders of the Head of the Department i.e., the Commissioner of Backward Classes Welfare, Hyderabad, were admitted and passed for payment by the District Treasury, Khammam. The erstwhile Regional Joint Director, Region-III, Hyderabad has found the following staff of the District Treasury, Karimnagar responsible for the above lapse.

- 1) Sri V.Babu Rao, the then District Treasury Officer, Karimnagar District and retired as Accounts Officer, O/o. the Director of School Education, AP, Hyderabad.
- 2) Sri B.Sattaiah, Sub Treasury Officer, District Treasury, Karimnagar.
- 3) Sri M.A.Khadeer, Sr. Accountant, District Treasury, Karimnagar.

2. The Director of Treasuries and Accounts has initiated Departmental Proceedings against Sri V.Babu Rao, the then DTO, Karimnagar and now retired as Accounts Officer, O/o. the Director of School Education, AP, Hyderabad under Rule 20 of APCS (CC&A) Rules, 1991 vide reference 1st read above. After examining the explanation of the Charged Officer, Sri V.Babu Rao, the then DTO, Karimnagar, the Director of Treasuries and Accounts ordered for regular inquiry by appointing Sri G.Vijay Kumar, Joint Director as Inquiry officer and Sri K.Sree Ramachandra Murthy, Deputy Director as presenting officer to inquire into the charges. In the inquiry, the charge framed against Sri V.Babu Rao was held proved. The Director of Treasuries and Accounts has forwarded the case of Sri V.Babu Rao, District Treasury Officer to the Government for imposing a major penalty vide reference 4th read above, since Government is competent to impose a major penalty on a District Treasury Officer as per A.P. Civil Services (CC&A) Rules, 1991.

3. The Director of Treasuries and Accounts has framed the following Article of Charge against Sri V.Babu Rao, the then, DTO, Karimnagar and now retired as Accounts Officer, O/o. the Director of School Education, AP, Hyderabad vide his Charge Memo.No.K5/121067/2001, dt. 17-4-2003.

Charge:

That the said Sri V.Babu Rao, District Treasury Officer, while functioning as District Treasury Officer, Karimnagar on 2-7-2001 has admitted and passed the medical advance bills each worth Rs. 75,000/- pertaining to S/Sri P.Raji Reddy, Senior Assistant and V.Narasinga Rao, Junior Assistant, O/o. the District Backward Class Welfare Officer, Karimnagar for payment, even though those bills do not consist the sanction orders of the Heads of the department i.e., Commissioner of Backward Welfare, as requested in G.O.Ms.No.86, F & P Department, dt. 1-6-1992 and also not covering the disease as per G.O.Ms.No.445, HM & FW (E2) Department, dt. 19-7-1991. Irregularly thereby he paved way for fraudulent, causing financial loss to Government.

4.1 In the inquiry, the charge framed against Sri V.Babu Rao, the then DTO, Karimnagar now retired as Accounts Officer, O/o. the Director of School Education, AP, Hyderabad was held proved. The observations/findings of the Enquiry Officer are as follows:

4.2. The two Medical Advance bills of Rs.75,000/- each pertaining to Sri P.Raji Reddy, Sr. Assistant and V.Narasinga Rao, Junior Assistant, Office of the District Backward Classes Welfare, Karimnagar have been submitted on 2-6-2001 and 2-7-2001 respectively and the bills have been admitted on the same day i.e., within 3 hours from the time of submission. The office copies of bills obtained from the office of the District Backward Class Welfare officer shows that the bills do not contain the estimates to be issued by the NIMS and the necessary certificates mentioned at Para 5 (b) of G.O. Ms. No. 445, H.M. & F.W. Department, dt. 19-7-1991. The bills were admitted in the shape of cash instead of issuing DD in favour of NIMS, Hyderabad. In the G.O.Ms.No. 86, Fin. & Plg. (FW. EXP. HM. FW) Department, dt. 1-6-1992, at para 6(b) it is mentioned that the head of the Department should handover the advance to the NIMS by cheques/Demand Draft. Contrary to this, the bills in question were paid in cash and the amounts are not adjusted to NIMS, which is a gross irregularity on the part of the charged officer. The contention of the Charged Officer that it is not possible to examine the bills in time is not acceptable, because as per the citizen charter and codal provisions, the Treasury can take time upto 2 days to conduct scrutiny and to pass the bills. In this instant case, the bills have been passed in haste and the bills were admitted in cash instead of issuing DD in favour of the NIMS for adjustment. As per G.O.Ms.No.86, Fin. & Plg. Dt. 1-6-1992 the Government has delegated powers to the Heads of Departments to sanction Medical Advance to Government employee and their dependents only for the cases referred to under G.O.Ms.No.445, HM & FW (E2) Department, dt. 19-7-1991. The above GOs are issued prescribing a new procedure replacing the provisions existing in the A.P.I.M.A Rules, 1972. From the date of issue of above Government orders, the revised procedure prescribed therein becomes operational but not the provision of A.P.I.M.A.Rules, 1972 as far as reimbursement of Medical Advance to NIMS is concerned. Thus, the contention of the Charged Officer that he has followed A.P.I.M.A Rules, 1972 but not the instructions of the subsequent Government orders can only establish that the charged officer is trying to take shelter on non-operational provisions of A.P.I.M.A. Rules, 1972.

4.3. The advance bills of the above individuals have been admitted based on the sanction order issued by the District Backward Classes Welfare Officer instead of Commissioner B.C. Welfare, i.e. without sanction by the competent authority, which is also one of the basic treasury checks required to be exercised. Other omissions noticed are admitting of bills in cash and without any estimate for advance to be issued by the NIMS etc., which clearly establishes that the charged officer has passed the bills without exercising Treasury checks.

4.4. The Charged Officer contended that it is the primary responsibility of DDO to verify the genuineness of the claim of the Treasury and he has admitted the bills after initial scrutiny by STO and Sr. Accountant of District Treasury. Even though, it is true that the DDO has to verify the genuineness, certificates etc of the bills before presenting to the Treasury, the Treasury also has to verify the competence of sanction, mode of drawl, certificates prescribed before appending pass order. Had the above checks been exercised, the above irregular drawls could not have taken place. It is also noticed that disciplinary action has already been taken on the DDO by the Commissioner of Backward Class Welfare for preferring irregular claims. The other point of contention by the charged officer is that he has admitted the bills after scrutiny of the bills initially by the Sub- Treasury Officer and Sr. Accountant. It is a fact that the bills have been admitted after the initial scrutiny by the STO and Sr. Accountant, but, being a Head of the office and final authority, he cannot shun his responsibility in not exercising minimum checks on the pretext of that the subordinates have already checked it.

4.5. The above amounts are remitted back to the Government account after initiation of disciplinary action by the Regional Joint Director, Region-III on 28-1-2002 and on persuasion of the Charged Officer with the District Backward Classes Welfare Officer. Even though, there is no pecuniary loss to the Government, as far as the charge is concerned, the bills in question were passed in contravention of rules and by not following the prescribed procedure, competency of sanction and the bills were admitted in cash, which clearly established the charge. As per Article-5 of A.P. Financial Code Vol.I every Government servant should see that proper accounts are maintained for all Government financial transactions with which he is concerned render accurately and promptly all such accounts as frequently as possible in order to see that his subordinate do not commit fraud, misappropriation, or any other irregularity. The Government will hold him personally responsible for any loss that may be found due to any neglect of the duties laid upon him by the provisions of the A.P. Financial Code and other financial codes issued by the Government. The fact that a Government servant has been misled or deceived by a subordinate will in no way mitigate his personal responsibility since every Government servant should be familiar with the financial Rules laid down by the Government and exercise a specially strict and close control over his subordinates, in regard to the use of public funds and the maintenance of proper accounts. In view of the points mentioned above, it has been derived that the charged officer has failed to exercise necessary treasury checks and admitted the bills in haste and therefore the charge is held proved.

5. Sri V.Babu Rao, Accounts Officer was issued a show-cause notice along with a copy of Enquiry Report vide reference 5th read above with a direction to submit his explanation on the findings of the Inquiry Authority. The Director of Treasuries and Accounts has furnished the explanation of the Charged Officer Sri V.Babu Rao vide reference 6th read above.

6. While the case of Sri V.Babu Rao, District Treasury Officer is under process at Government level, the Director of Treasuries and Accounts finalized the disciplinary proceedings against Sri B.Sattaiah, Sub Treasury Officer, O/o. the District and Sri M.A.Khadeer, Sr. Accountant, O/o. the District Treasury, Karimnagar by imposing a minor penalty of stoppage of one increment without cumulative effect for one year.

7. Government, after careful examination of the proceedings issued by the Director of Treasuries and Accounts in respect of Sri B.Sattaiah, Sub Treasury Officer, O/o. District Treasury Office and Sri M.A.Khadeer, Sr. Accountant, O/o. the District Treasury, Karimnagar with reference to the findings of the Inquiring Authority observed that the punishments awarded by the Director of Treasuries and Accounts are not commensurate with the gravity of the charges proved against them in the inquiry and there is no justification in awarding a minor penalty to them for the irregularity committed in passing the Medical Advance bills irregularly without following the rule position and beyond their competence and **accordingly set aside the DTA Proceedings No. K(II)6/21067/2001-1 & 2, dt. 5-12-2004, issued in respect of the Charged Officers, Sri B.Sattaiah, Sub Treasury Officer, O/o. District Treasury Office and Sri M.A.Khadeer, Sr. Accountant, O/o. the District Treasury, Karimnagar in exercise**

of the powers conferred under Rule 40 A.P.C.S. (CC&A) Rules, 1991 Vide G.O.Rt.No. 3692, Finance (Admn.I.Vig) Department, dt. 13-10-2006 and further decided to take further action against Sri B.Sattaiah, Sub Treasury Officer (Retd.) and Sri M.A. Khadeer, Sr. Accountant, O/o. the District Treasury, Karimnagar as per the procedure laid down under A.P. Revised Pension Rules, 1980 and A.P.C.S. (CC&A) Rules, 1991.. Sri B.Sattaiah, STO (Retd.) and Sri M.A. Khadeer Sr. Accountant O/o. the DT, Karimnagar were issued show cause notices vide Govt. Memo. No. 19879/299/A2/Admn.I.Vig/2004, dt. 23-10-2006 under Rule 9 of A.P. Revised Pension Rules, 1991 and Rule 9 of A.P.C.S. (CC&A) Rules, 1991 with a direction to explain as to why a suitable punishment should not be imposed on them for the charges, which were conclusively proved in the inquiry.

8. After careful examination of Articles of Charges framed against Sri B.Sattaiah, STO (Retd.) and his written statement of defence, findings of the enquiry officer and his explanation on the findings of the Enquiry Officer, to the final show-cause notice and other relevant material, a punishment of withholding of 10% of pension permanently under Rule 9 of A.P. Revised Pension Rules, 1980 was imposed on Sri B.Sattaiah, STO, (Retd.) vide G.O.Rt.No.4264, Finance (Admn.I.Vig) Department, dt. 1-12-2007.

9. In his explanation, Sri V.Babu Rao, the then DTO, Karimnagar and now retired as Accounts Officer, O/o. the Director of School Education, AP, Hyderabad has stated that the bills have to be scrutinized initially by the Sr. Accountant and STO and with a view to verify the genuineness of the claim and whether necessary certificates were enclosed before presenting claims. He admitted the bills, after initial scrutiny by STO and Sr. Accountant who are solely responsible to verify the genuineness of the claim. The bills were passed as an advance for medical purpose and the detailed bills with necessary vouchers and certificates have to be submitted by the concerned DDO within three months. But, no detailed bills were submitted by the concerned DDO. However, on receipt of the charge memo, he addressed the concerned DDO and pursued vigorously to recover the amount and remit back to the Government account. The amounts sanctioned towards medical advances to the two employees of BC welfare department were recovered and remitted back to the Government account and there was no loss to Government. The charge relates to procedural lapse and there was no malafide intention on his part in admitting the claim in question and requested to drop further action against him.

10. In the mean while Sri V.Babu Rao, Accounts Officer has been retired from service on 31-12-2007 on attaining the age of superannuation. As such it has been examined and decided to take further action against them as per Rule 9 of A.P. Revised Pension Rules, 1980.

11. Government after careful examination of the explanation of the Charged Officer observed that there was passing of medical advance bills amounting to Rs. 1,50,000/- for two individuals @ Rs. 75,000/- per individual for which the competence lies with the Head of the Department and not with the district level officer. The Charged Officer has passed the bills, sanctioned by the District B.C. Welfare Officer without authority and competency, without estimates from NIMS, Hyderabad. The bills were admitted and passed on the same day, instead of giving a cheque/DD to the NIMS, the amounts were paid in cash to the individuals by the District Treasury, Karimnagar. The mere fact that personal involved have repaid the amount to Government in 2003, on detection, does not absolve the persons involved and it is clear case of fraud. Therefore, Government came to a provisional conclusion to impose a punishment of withholding of 10% of pension permanently should not be imposed against him under Rule 9 of A.P. Revised Pension Rules, 1980 and issued a final show-cause notice to him vide reference 7th read above.

12. The Charged Officer, Sri V.Babu Rao, Accounts Officer (Retd.) in his explanation at reference 8^h read above, has contended that the bills have to be scrutinized initially by the Sr. Accountant and STO with a view to verify the genuineness of the claim and encloses necessary certificates before presenting claims. He has admitted the bills after initial scrutiny by STO and Sr. Accountant. It is the primary responsibility of the Sr. Accountant, STO and also concerned Drawing and Disbursing Officer to verify

the genuineness' of the claim before presenting to the DTO. He has admitted the bills in good faith depending upon the scrutiny by the Sr. Accountant and STO. The bills were passed, as an advance for medical purpose and the detailed bills with necessary vouchers and certificates has to be submitted by the concerned DDO within three months as per Rule 20(8) (b) of APIMA Rules 1972. But no detailed bills were submitted by the concerned DDO. If the detailed bills had been submitted by the DDO through checks would have been made with reference to IMA rules and recovered the amount. However, on receipt of charge memo, he has addressed the concerned DDO and vigorously perused to recover the amount and remit back to the Govt. Account. In response to his letter the concerned DDO has recovered the entire amount and remitted into Government account. He has informed to DTA regarding recovery of entire advance and remittance to Government Account.

13. Government, after careful examination of the Articles of Charge framed against Sri V.Babu Rao, Accounts Officer (Retd.), his written statement of defence, findings of the Inquiry Officer and his explanations on the findings of the Enquiry Officer and to the final show-cause notice and other relevant material on record observed that there was passing of medical advance bills amounting to Rs. 1,50,000/- for two individuals @ Rs. 75,000/- per individual for which the competence lies with the Head of the Department and not with the district level officer. The Charged Officer has passed the bills, sanctioned by the District B.C. Welfare Officer without authority and competency, without estimates from NIMS, Hyderabad. The bills were admitted and passed on the same day, instead of giving a cheque/DD to the NIMS, the amounts were paid in cash to the individuals by the District Treasury, Karimnagar. The mere fact that personal involved have repaid the amount to Government in 2003, on detection, does not absolve the persons involved and it is clear case of fraud. Therefore, Government came to a provisional conclusion to impose a punishment of withholding of 10% pension permanently on the Charged Officer, Sri V.Babu Rao, Accounts Officer (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980 and referred the matter to the Andhra Pradesh Public Service Commission, Hyderabad for their concurrence vide reference 11th read above.

14. The A.P. Public Service Commission, Hyderabad in their letter 12th read above, have concurred with the proposal of the Government for imposition of a punishment of withholding of 10% pension permanently on the Charged Officer Sri V.Babu Rao, Accounts Officer (Retd.).

15. Government accordingly, hereby impose a punishment of withholding of 10% of pension permanently on the Charged Officer, Sri V.Babu Rao, Accounts Officer (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

16. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

17. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

VASUDHA MISHRA
SECRETARY TO GOVERNMENT (FP)

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, Secretariat, Hyderabad.

SF/SC.

:: FORWARDED BY ORDER::

SECTION OFFICER